**Economic Choices and Opportunity Cost**

**Teacher Candidate** Bobbi Jo Williams **Grade Level** 3rd **Date of lesson** December, 2011

**Content Standards:** State the unit goal and identify one or two primary local, state **or** national curricular standards to which your lesson aligns. What key knowledge and skills will students be able to demonstrate as a result of your instruction?

The goal of this unit is for students to understand how people in a community affect the economy by the choices that they make about the goods and services provided by their community. Students will also identify that there are benefits and costs involved in every economic decision they make and the use of resources impacts the goods and services available in a community.

3SS4.d: Explain how individual economic choices involve trade-offs and the evaluation of benefits and costs.

3.M.1k: Solve multi-step problems for using mathematical tools and strategies involving addition, subtraction, and multiplication.

3.M.5a: Develop and implement a plan to collect and organize data to address a given question.

Students will be able to demonstrate decision making and construct a budget to reflect income and expenses.

**Learner Background:** Describe the students’ prior knowledge or skill related to the learning objective(s) and the content of this lesson. How did the students’ previous performance in this content area or skill impact your planning for this lesson?

Students have been introduced to the economy of their community and understand that they are consumers in this community. They have been able to identify with a previous story, “If you Made A Million” that they would have choices as consumers as to what to buy but need to understand the costs and benefits that exist with these choices. The students have also had experience with adding and subtracting of decimals.

**Student Learning Objective(s):** Identify specific and measurable learning objectives for this lesson.

Students will be able to identify the opportunity cost when people decide to save instead of spend and calculate how money saved can accumulate into a larger amount over time.

**Assessment:** How will you ask students to demonstrate mastery of the student learning objective(s)? Attach a copy of any assessment materials you will use, along with assessment criteria.

The students will be assessed on their recordings of a budget in their journals and also on the recordings of the activity to ensure they are able to identify that economic choices involve opportunity cost.

**Materials/Resources:** List the materials you will use in each learning activity including any technological resources.

Quarters (Two for every student)

Candy bar

Pack of gum

Several goods with price tags

Displays for services with price tags

Math journals

Fake money

Timer

**Teaching Model/Strategy**

Accurately names model/strategy; Explains **WHY** this model/strategy is chosen for these learners; Explains **how** model/strategy lends itself to learning this content, these skills and/or dispositions.

Guided Discovery will be used to allow students to see how their own economic choices are made by the amount of money they have available to them. This learning strategy will allow students to understand what opportunity cost is by first-hand experiences.

**Learning Activities:**

**Initiation:** Briefly describe how you will initiate the lesson. (Set expectations for learning; articulates to learners: what they will be doing and learning in this lesson, how they will demonstrate learning and why this is important).

Pass out $.50 to each student. Tell them that they just got paid their allowance for the week and now they are going shopping at the candy store. Hold up a candy bar and a pack of gum. Ask the class which item they would like to purchase. Then tell the students that the price of the candy bar is $1.00 and the pack of gum is $.50cents. Now ask them what they will do if they wanted to purchase the candy bar. Explain to them that this exercise shows economic choice and that as consumers they make economic choices all the time. Explain to them as well that the choice they gave up is called opportunity cost. Explain to the students that sometimes they will be able to immediately purchase their wants and needs and sometimes they will have to save their money to purchase wants and needs.

**Lesson Development:** Describe how you will develop the lesson, what you will do to model or guide practice, what learning activities students will be engaged in order to gain the key knowledge and skills identified in the student learning objective(s). Identify the instructional grouping (whole class, small groups, pairs, individuals) you will use in each phase of instruction.

Mini Lesson #1

1. Recall the story “Alexander Who Used to Be Rich Last Sunday”. Reread how he gets money, spends money, and all of a sudden realizes that he no longer has the money and doesn’t remember how he spent it. Ask the students if there is a better way to keep track of how you spend money.
2. After a brief discussion, make up a hypothetical scenario in which you are given allowance weekly and want to buy certain items, ie: a video game, ipod, or baseball.
3. List your income in one column and then your expenses in another column to show how a budget is made. Ask the students how many weeks would be necessary to save up for the ipod. Ask them if you could still buy the video game and the ipod and how long would that take?
4. Give each student an allowance amount and then show several items on the table with price tags on them. Video game $40, Ipod $100, baseball $5, etc.
5. Have them record in their math journals a budget showing their allowance and then their item that they wish to purchase with the amount of weeks it would take to purchase said item.

Mini Lesson #2

1. Set up tables in the classroom with two items that have price tags on them.
2. Pass out monopoly money or other fake money to add up to $10 for each student. Explain to them that they just got paid their allowance for the week. Explain to them that every three minutes in our classroom today will be like one week and they will get paid an additional $10 every time the timer goes off.
3. Next, explain to the students that they will go around to the tables and decide if they would like to purchase the items and if so, how much money they will have left over and what the opportunity cost of each purchase was.
4. Students will have to record the amount of money earned and amount spent. They will need to list the item they purchased and the opportunity cost for each item purchased.
5. Have the students share their purchases and decisions with the class stating what each student had “given up” in order to purchase the item that they wanted.
6. Ask students what the benefits of being able to purchase immediately are and what the cost of purchasing immediately is and then again with saving.

**Closure:** Briefly describe how you will close the lesson and help students understand the purpose of the lesson. (Interact with learners to elicit evidence of student understanding of purpose(s) for learning and mastery of objectives).

Gather the students and discuss the choices that each student made and the difficulties faced in each decision to include the opportunity cost or the fact that they weren’t able to immediately purchase the good or service that they wanted and had to choose to save for it. Hold up the candy bar and pack of gum again. Ask the students if they have ever had to make a choice based on the amount of money they had and have them share their story with the class.

**Individuals Needing Differentiated Instruction:** Describe 1 to 3 students with identified instructional needs. (These students may be special or general education students and need not be the same students for each lesson. Students may represent a range of ability and/or achievement levels.)

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| Student Name | 1. What is the student’s identified instructional need? 2. What evidence do you have that this is an instructional need? | Describe strategy for differentiating instruction **in this lesson** to meet this need. |
|  | 1. Gifted  2. Evaluated | Students will be given the opportunity to work with more complex monetary values in their budgets. Students can also come up with unique ways to create their budget ie: pictures, actual drawings of money or a poem or song. |
|  | 1. Low level math 2. Evaluated | Students will be able to use pictures in their journals to show their budgets and can use the money manipulatives from the classroom to visualize their budget. |
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**Reflection on Practice:**

**Student Achievement:**

Specifically analyzes student learning ***for each SLO***. *What differences do you notice in the performance of individual students?* Note needs or opportunities for reteaching or enrichment for specific learners.

**Teacher Efficacy:** (Evaluation and Assessment of *one’s own teaching*): Examines/explains impact of personal teaching practice by responding to following:

1) What worked well and why?

2) What did not work well and why?

3) What actions will be taken now which are: a*) immediate* **and** b) *long range*?

4) Briefly describes ONE *reasonable* ***alternative approach*** that could be used to achieve these same SLOs?